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Silence on Iran Blamed On Reagan, Not Pentagon

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The General Accounting Office reported yesterday that President Reagan, not the Defense Department, must assume responsibility for failure to report to Congress about covert arms sales to Iran that "ordinarily" would have been "subject to congressional notification requirements."

The congressional watchdog agency said the Pentagon normally would have been required to keep the House and Senate intelligence committees fully and currently informed of the arms transfers.

However, its report said, Reagan's directive of Jan. 17, 1986, that CIA Director William J. Casey refrain from telling Congress about the sales relieved Defense Secre-

tary Caspar W. Weinberger from any reporting requirement.

"We do not consider it unreasonable for the secretary of defense to consider [the directive] to apply to all transactions incidental to the Iran initiative," the GAO said.

The agency also confirmed last January's finding by the Army inspector general that the service undercharged the Central Intelligence Agency for 2,008 TOW antitank missiles and Hawk antiaircraft missile spare parts sold to Iran. The GAO, however, put the figure at \$2.1 million, \$500,000 less than the undercharge determined by the Army.

The GAO found that Weinberger's senior military assistant, Maj. Gen. Colin L. Powell, did not follow the normal Pentagon and Army procedures for handling covert arms

transfers that require "extensive policy and legal reviews."

It said Powell, now deputy director of the National Security Council staff, decided on the quicker course because it was a presidential rather than CIA request, the agency said.

In tracing the history of the arms transfers, the GAO noted that 4,000 TOWs initially were to be sent to Iran through the CIA but that, on Jan. 25, 1986, the order was increased to 4,508, of which 2,500 were never shipped.

The purpose for the added TOWs was not mentioned in the report, but 508 TOWs corresponded to the number sold to Iran in 1985 by Israel.

The Israelis were to be resupplied for the weapons sold in 1985, according to the Tower commission report. In May 1986, according to the GAO, 508 TOWs were delivered to the CIA and subsequently sent to Israel as replenishment for the 1985 shipments.

The GAO report said the Army delayed billing the CIA for the weapons and is still developing the cost of the Hawk spare parts.